

Not Yet Approved

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Chapter 9.68
(Rental Housing Stabilization) of in the Palo Alto Municipal Code to Reduce the
Minimum Time Period Required for Renters to Qualify for Just Cause Eviction
Protections in Palo Alto

The Council of the City of Palo Alto ORDAINS as follows:

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

- A. Renters represent a significant percentage of Palo Alto's population;
- B. Landlords provide a significant community service by providing rental housing in the City of Palo Alto;
- C. Palo Alto has great diversity in residential rental property and rental unit types, ranging from single-family homes, accessory and junior accessory dwelling units, to properties with multi-family apartment buildings containing a variety of rental units;
- D. There is a need to ensure that housing is provided for people of all income levels, and affirmatively further fair housing;
- E. The Palo Alto rental market is one of the most expensive in the country, which is one factor that can lead to potential renters being unable to afford standard rental unit move-in costs;
- F. The Palo Alto rental market is one of the most expensive in the country, which is one factor that can lead to renters at risk of displacement;
- G. The city desires to implement policies for certainty, stability, and fairness in the rental market for renters and landlords;
- H. A significant number of renters in Palo Alto are low-income and cost-burdened;
- I. The State of California created eviction protections for some rental units in Palo Alto but not others through the enactment of California Assembly Bill 1482 (2019), which currently automatically sunsets in 2030,
- J. The city is making significant investments on an ongoing basis regarding rental unit protection, preservation, and production and will also soon need to implement the 6th Cycle Housing Element policies and programs; and
- K. On November 29, 2021, the City Council held a public meeting to discuss a variety of renter protection measures and directed staff to draft a response to California Assembly Bill 1482 (2019) by preparing an Eviction Reduction/Just Cause ordinance for Palo Alto to

extend state eviction protections to properties built and receiving occupancy within the last fifteen (15) years, but does not include rental units occupied less than a year or single family homes not owned by a corporation or renters who live in a duplex when one unit is owner occupied,

- L. On February 9, 2023, the Human Relations Commission held a public meeting to discuss the effectiveness of existing renter protections in Palo Alto and recommended that the City Council adopt the extensions described by the City Council on November 29, 2021 in addition to several other extensions,
- M. On June 5, 2023, the City Council directed staff to draft an ordinance that further extends just cause eviction protections by reducing the occupancy timeframe for Palo Alto renters to qualify for eviction protections when compared with the timeframe outlined in California Assembly Bill 1482 (2019),
- N. On August 7, 2023, the city found that the ordinance was not in conflict with and was more protective than California Assembly Bill 1482 (2019) in regard to the number of rental units and rental circumstances receiving eviction protections and relocation assistance, and, in some circumstances, in regard to the Tenant Relocation Assistance (TRA) dollar amount required if a tenant received a no-fault just cause eviction, and because the ordinance is permanent and does not contain the California Assembly Bill 1482 (2019) automatic sunset in 2030,
- O. On June 5, 2023, the City Council directed staff to draft an ordinance that further extends just cause eviction protections by reducing the occupancy timeframe for Palo Alto renters to qualify for eviction protections when compared with the timeframe outlined in California Assembly Bill 1482 (2019),
- P. The City Council finds and determines that this amendment to the ordinance codified in Palo Alto Municipal Code Chapter 9.68 (Rental Housing Stabilization) is adopted pursuant to the city's authority to protect the public health, safety, and welfare.

SECTION 2. Subdivision (b) of Section 9.68.010 (Purpose) of Palo Alto Municipal Code Chapter 9.68 (Rental Housing Stabilization) in Title 9 (Public Peace, Morals and Safety) is hereby amended to read as follows (new text underlined and deletions ~~struck through~~):

9.68.010. Purpose.

- (a) It is found and declared that there is a growing shortage of, but increasing demand for, housing in the city of Palo Alto. Such shortage and increased demand, coupled with increasing inflation, have placed substantial pressure on those residents of Palo Alto seeking rental housing. This council finds that renters are entitled to a contractual relationship with a landlord that offers some assurance of stability and fair treatment under the terms of a written lease to

minimize displacement of renters into a rental housing market which affords them few and expensive options.

- (b) Council further finds that the provisions of California Assembly Bill 1482 (2019), as codified and later expanded in the Civil Code of the state of California, offers important protections from instability and displacement to renters. The provisions of that bill as they relate to eviction reduction are restated and expanded below, to make the protections permanent in the city of Palo Alto, to ~~and~~ extend them to renters living in qualified residential rental units that received a certificate of occupancy within the last fifteen years, and to reduce the minimum occupancy time period for renters to qualify for eviction protections.

SECTION 3. Subdivision (b) and (d) of Section 9.68.040 (Just Cause Evictions Required) of Palo Alto Municipal Code Chapter 9.68 (Rental Housing Stabilization) of Title 9 (Public Peace, Morals and Safety) is hereby amended as follows (new text underlined and deletions ~~struck-through~~):

9.68.040. Just-cause evictions required.

- (a) Applicability to residential rental units. This section shall apply to all residential rental units, except not any of the following:

[...]

- (b) Protection for renters. Notwithstanding any other law, after a renter has continuously and lawfully occupied a residential rental unit for 12-6 months, the landlord of the residential rental unit shall not terminate the tenancy without just cause, which shall be stated with specificity in the written notice to terminate tenancy. If any additional adult renters are added to the lease before an existing renter has continuously and lawfully occupied the residential rental unit for 24-12 months, then this subdivision shall only apply if either of the following are satisfied:

- (1) All of the renters have continuously and lawfully occupied the residential rental unit for 12-6 months or more.
- (2) One or more renters have continuously and lawfully occupied the residential rental unit for 24—12 months or more.

[...]

- (d) Notice. A landlord subject to this section shall provide notice to the ~~tenant~~ renter, which may take the form of a lease provision or an addendum to a lease, and which shall include the following, in no less than 12-point type: “California law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. Local law also provides that after all of the

~~tenants-renters~~ have continuously and lawfully occupied the property for ~~12-6~~ months or more or at least one of the ~~tenants-renters~~ has continuously and lawfully occupied the property for ~~24-12~~ months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Chapter 9.68 of the Palo Alto Municipal Code for more information.”

[...]

SECTION 4. If any section, subsection, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion or sections of the Ordinance. The Council hereby declares that it should have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 5. The Council finds that this project is exempt from the provisions of the California Environmental Quality Act (“CEQA”), pursuant to Section 15061 of the CEQA Guidelines, because it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.

SECTION 6. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager

Not Yet Approved

Director of Planning and Development
Services

Director of Community Services

Director of Administrative
Services